



TESTIMONY
of the
CONNECTICUT CONFERENCE OF MUNICIPALITIES
to the
PROGRAM REVIEW & INVESTIGATIONS COMMITTEE

October 8, 2009

The Connecticut Conference of Municipalities appreciates the opportunity to submit formal comments to the Program Review and Investigations Committee regarding solid waste in Connecticut and commends Committee staff on their comprehensive briefing on the status of this issue.

Connecticut is facing a statewide dilemma on how to appropriately dispose of solid waste and keep costs down. We have limited in-state disposal capacity compounded by the inability to easily site any new facilities. It is imperative that a cost effective and efficient in-state ability to dispose of solid waste be identified and implemented.

Below are some key issues that should be carefully contemplated.

RECYCLING

Recycling and other waste diversion programs have a direct impact on reducing, and keeping down, the volume, and cost, of solid waste disposal. The recent expansion of the Bottle Bill to include water bottles is a good example of a diversion program that will have a positive impact on the solid waste stream.

The most recently adopted State Solid Waste Management Plan (Plan) clearly identified that significant ongoing funding is essential if municipalities and the State are to move forward to effectively solve disposal problems and improve recycling efforts. Specifically it states that the "failure of Connecticut to achieve its recycling/source reduction [goals] can be partly attributed to the lack of resources available to: sustain and increase recycling participation rates; increase source reduction efforts; assess the state's recycling program and amend it as necessary to make it more effective; and take advantage of changing technologies, changing waste streams, changing market conditions, and untapped recycling/potential for some components of the waste stream." The Plan goes on further to emphasize that this lack of resources is "chronic."

Without these resources and adequate funding in place, how is are the State and municipalities supposed to move forward with any new efforts?

OWNERSHIP OF RESOURCE RECOVERY FACILITIES

CCM urges the Committee to be sure the final report discusses how private ownership of disposal facilities will impact local costs and discusses options to protect municipal interests and budgets. Between 2008 and 2017, the bonds for four of those plants have been or will be paid off. The

contracts for the plants, although different in some ways, allow the ownership of the plants to change to the private entities that are presently operating them.

<u>Facility</u>	<u>Contract Ends</u>
Bridgeport (CRRA)	2008
Wallingford (CRRA)	2010
Bristol (BRRFOC)	2015
SCRRA (Preston)	2017

Mid-Connecticut (CRRA, Hartford) is not affected. Note that the Bristol Regional Resource Recovery Facility Operating Committee (BRRFOC) has an option to buy the facility when the contract runs out.

Municipalities and their regional authorities took many steps that enabled the plants to be built. For example, in the case of the Bridgeport facility the municipalities provided, among other things, the site (and obtained Sitting Council approval) for the facility, tax-free financing for it, an ash landfill, and obtained all state and local permits.

Municipalities are obligated under state statute, to “provide for” the disposal of solid waste generated within their borders. They depend on the statewide system of resources recovery facilities – constructed with public bond funds to serve a public purpose -- as essential to Connecticut’s ability to dispose of its solid waste. Without these facilities, towns and cities would be forced to ship waste out of state, at market rates that could include high per ton cost – assuming that the out of state disposal options remain in place. There is no guarantee that other states will continue to allow importation of waste, leaving Connecticut with limited options.

The recently adopted State Solid Waste Management Plan only skims the surface of the potential change to private ownership of the various resource recovery facilities and in no way addresses the potential impact of this shift. Towns and cities tied to these facilities are concerned about how a significant shift in control of the majority of the MSW and RRF ash residue disposal capacity in the state from public to private entities will impact local budget bottom lines. These private owners will be free to enter into contracts with out-of-state generators for some of the existing capacity that today is contracted to and/or used by Connecticut’s municipalities. The plan fully fails to address this issue at all and therefore it is imperative that the Program Review and Investigations Committee do so in their final report and recommendation.

OTHER ISSUES FOR CONSIDERATION

- **Ash Disposal:** In addition to our current facilities, there is a need for Connecticut to have appropriate and affordable ash disposal capability. The impact associated with doing nothing on this front could have a huge negative impact on tip fees. Ash disposal is a statewide problem that calls for a State solution.
- **No Unfunded Mandates:** It is imperative, as ideas and options are discussed, that care is taken not to impose any additional costs on towns and cities in the form of new mandates. Rather, the State should take a comprehensive approach to providing needed resources to: increase education; increase enforcement; and, help offset the capital costs to implement new programs.

For example, bottle deposit revenues now go to the general fund. In the future, as the state's economy and budget improve, that revenue could be dedicated to this comprehensive effort.

- **State Bonding:** The State should be prepared to issue general obligation bonds to pay for needs for which new sources of funding are not otherwise provided – including costs for local infrastructure and collection systems.

There is strong precedent for state financial support of local solid waste disposal efforts. When the State sought to encourage formation of resources recovery regions in the 1980s it provided a tip fee subsidy to municipalities that signed up with them. It also provided significant funds to local recycling programs when that mandate was enacted in the early 1990s.

The State Solid Waste Management Plan proposed consideration of several non-bonding sources of funding. Although it is preferable to have permanent, dedicated sources of revenue for the solid waste system, the State should not be dependent on them alone. Towns and cities should not be forced to add any new costs of the Plan onto the property tax simply because the State has not enacted a dedicated funding source. General obligation bonds are the best fail-safe in case other sources are not enacted.

- **Solid Waste Per Ton Assessment:** Municipalities should be exempt from the current \$1.50 solid waste assessment, or at the very least exempt from any increase. It doesn't make sense for one branch of government to tax another branch, when the overall goal is to provide greater funding across the board for all levels of government to increase recycling and reduce solid waste disposal.
- **In-State Disposal Capacity:** It is critical that the issue of in-state disposal capacity be addressed and strategies implemented to address the State's current and future needs. The State Solid Waste Management Plan clearly indicates that the Department of Environmental Protection already recognizes the potential for a "shortfall of in-state MSW disposal capacity...and a significant in-state disposal capacity shortfall for construction and demolition waste and oversized MSW." It goes on further to say that the "State must identify and assess the risks and plan prudently for how the State will deal with potential increased future reliance on out-of-state disposal capacity...and must identify the circumstances under which new in-state disposal capacity would be consistent with the Plan."

Towns and cities have an enormous stake in Connecticut's solid waste disposal system. CCM and local officials look forward to working with the Committee and other stakeholders to create a proposal that is affordable, effective and dependable.

To this end, CCM will be hosting a special meeting this fall with members to have a detailed discussion about solid waste policy in Connecticut and develop some suggestions, which will be forwarded for your consideration.

##

If you should have any questions, please do not hesitate to contact Kachina Walsh-Weaver, Senior Legislative Associate for CCM, at (203) 498-3026 or via email kweaver@ccm-ct.org; or Gian-Carl Casa, Director of Public Policy & Advocacy for CCM, at (203) 498-3000.

